

## Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
----- 067745

R 231830Z SEP 76

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC 8675

C O N F I D E N T I A L NASSAU 1519

EXDIS

E.O. 11652: GDS

TAGS: EFED EFIN BF

SUBJ: SEC INVESTIGATION OF ICD

REF: (A) STATE 230501; (B) NASSAU 1453

1. ST. GEORGE OF ICD HAS APPARENTLY DECIDED TO COOPERATE WITH SEC IN REACHING A CONSENT ORDER. ALTERNATIVE TO SPECIAL COUNSEL AND INDEPENDENT INVESTIGATION WITH REPORT SUBMISSION TO SEC OUTLINED IN REFTELS SEEMS TO BE ACCEPTABLE. ST. GEORGE HAS INSTRUCTED HIS ATTORNEY ROGER MINIHAN TO PROCEED WITH SEC IN WORKING OUT CONSENT ORDER.

2. ONE ISSUE STILL MUST BE RESOLVED; THAT OF SEC RECEIVING COPIES OF PRICE-WATERHOUSE DOCUMENTS RATHER THAN MERE ACCESS. ST. GEORGE HAS NO OBJECTION AND WILL TRY AND CLEAR MATTER WITH PRICE-WATERHOUSE IN NASSAU WHO HAD REQUESTED THAT NO COPIES OF PAPERS BE GIVEN TO SEC. BOTH SEC AND ST. GEORGE BELIEVE THIS ISSUE WILL BE SATISFACTORILY SETTLED.

3. EMBASSY COMMENT: ST. GEORGE SEEMS TO HAVE GIVEN UP NOTION OF FIGHTING SEC IN FACE OF OPPOSITION FROM HIS OWN ATTORNEY AND CENTRAL BANK GOVERNOR DONALDSON. EMBASSY ECON OFFICER ALSO DISCUSSED DAMAGING PUBLICITY THAT A LAW SUIT WOULD BRING ESPECIALLY IN CONTEXT OF CURRENT BAD PRESS BAHAMAS IS GETTING IN U.S. -- HOWEVER UNJUSTIFIABLY -- OVER TAX HAVEN STATUS. ALTHOUGH  
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HIS INITIAL REACTION TO SEC'S COUNTER PROPOSAL WAS

NEGATIVE (SEE REFTTEL B) ON REFLECTION HE REALIZED THAT  
SEC'S REQUESTS WERE LARGELY ACADEMIC IN ANY CASE. HIS  
RELUCTANCE TO ACCEPT THEIR REQUEST FOR CONTINUING ACCESS  
TO ICD FILES WAS OVERCOME BY ARGUMENT THAT BY TRYING  
TO PROTECT THOSE WHO HAD BEEN ASSOCIATED WITH COMPANY  
IN PAST IRREPAIRABLE HARM COULD BE DONE TO THE COMPANY  
ITSELF AND TO RELATIONS WITH GCOB.  
WEISS

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NNN

## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTIGATIONS, BUSINESS FIRMS, AUDITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 23 SEP 1976  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976NASSAU01519  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760359-1307  
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**Line Count:** 69  
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**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** 76 STATE 230501, 76 NASSAU 1453  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 07 JUL 2004  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** SEC INVESTIGATION OF ICD  
**TAGS:** CFED, EFIN, BF, US, SEC, PRICE-WATERHOUSE, ICD  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006